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February 7, 2006

Colleen Ryan
Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

Re: Valley Utilities Water Company, Inc.; Docket Nos. W-01412A-04-0736 & W-01412A-04-0849; Decision No. 68309; Revised Tariff Filing Compliance

Dear Ms. Ryan:

On November 30, 2005 we filed the Compliance Tariff as required by the subject Decision. Unfortunately, that Tariff had two transposed numbers and did not include the Decision Number authorizing the Late Payment Fee. Nor did it include the previously approved Arsenic Impact Fee Sheets. Enclosed please find 15 copies of the revised Table of Contents Sheet No. ii, and Sheet Nos. 1, 7, and 23 through 28.

Please substitute these Sheets in the filing made November 30. Upon Staff's review and approval, please return one approved copy of the entire Tariff to my attention for distribution to the Company.

I apologize for any confusion this may have caused. In the event you have any questions regarding this matter, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

Enclosures

Cc: Brian Bozzo
Bob Prince
Ron Kozoman
Tom Bourassa

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DOCKET W-01412

Cancelling Sheet No.

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Issued: November 30, 2005

Effective: December 1, 2005

ISSUED BY:

Robert L. Prince
Valley Utilities Water Company, Inc.
6808 N. Dysart Rd., Suite 112
Litchfield Park, Arizona 85340

DOCKET W-01412

Cancelling Sheet No.

Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

I. RATES

In Opinion and Order No. 68309, dated November 14, 2005, the Commission approved the following rates and charges to become effective with December 1, 2005 usage.

<u>Meter Size</u> Inches	<u>Usage Included in</u> <u>Minimum Charge</u> Gallons	<u>Minimum</u> <u>Charge</u> Per Month
A. All Services		
5/8" X 3/4" Meter	-0-	11.24
3/4" Meter	-0-	16.87
1" Meter	-0-	28.10
1 1/2" Meter	-0-	56.21
2" Meter	-0-	89.94
3" Meter	-0-	179.87
4" Meter	-0-	281.05
6" Meter	-0-	562.10
Construction Water	-0-	179.87

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PART ONE**STATEMENT OF CHARGES**
WATER SERVICE

I.	Deferred Payment Finance Charge, per month	1.5%
J.	Late Payment Charge, Per Month	\$10.00 ⁶ ⁷

⁶ This charge shall not apply if the customer has arranged for a Deferred Payment Plan. This rate was authorized in Decision No. 56682, dated October 25, 1989.

⁷ Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All late payment penalties shall be billed on the customer's next regularly scheduled billing, and the customer will receive a ten (10) day termination notice. If the customer does not pay the late payment penalty by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation. All customers whose service is terminated for failure to pay the late payment penalty are subject to the Company's reconnection charges set forth in the Company's tariff.

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PART TWO

**STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE**

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

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V. ARSENIC IMPACT FEE**ARSENIC IMPACT FEE**¹⁰**I. Purpose and Applicability**

The purpose of the Arsenic Impact Fee ("AIF") payable to **Valley Utilities Water Company, Inc.** (the "Company") pursuant to this tariff is to equitably apportion the costs of constructing water treatment plant facilities to treat and remove arsenic. These charges are applicable to all new service connections established after the effective date of the tariff. The charges are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting, this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Arsenic Treatment Facilities" means treatment equipment and related appurtenances necessary for the removal of arsenic through treatment of water to meet the 10 parts per billion ("ppb") arsenic standards.

"Company" means Valley Utilities Water Company, Inc., an Arizona corporation.

¹⁰ Approved in Decision No. 67669, dated March 9, 2005

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"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission (same as line extension agreement).

"Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses, regardless of meter size.

III. Arsenic Impact Fee Charges

Each new service connection shall pay the Arsenic Impact Fee derived from the following table:

ARSENIC IMPACT FEE TABLE		
Meter Size	Meter Factor	Fee
5/8" x 1/4"	1	\$1,100
3/4"	1.2	\$1,320
1"	2	\$2,200
1-1/2"	4	\$4,400
2"	6.4	\$7,040
3"	12	\$13,200
4"	20	\$22,000
6" or larger	40	\$44,000

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IV. Terms and Conditions

- (A) Assessment of One Time AIF Charge: The AIF may be assessed only once per service connection, or lot within a platted subdivision (similar to service line and meter installation charges). However, this provision does not exempt from the AIF, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a service connection.
- (B) Use of AIF: AIF may only be used to pay for capital items of arsenic treatment facilities (including engineering and design costs for such facilities), or for repayment of loans obtained for installation of arsenic treatment facilities. AIF shall not be used for expenses, maintenance, or operational purposes.
- (C) Time of Payment:
- (1) In the event that the Applicant is required to enter into a main extension agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the charges required hereunder shall be made by the Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the main extension agreement in accordance with R-14-2-406(M).
 - (2) In the event the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the services line and meter installation charge is due and payable.
- (D) Failure to Pay Charges, Delinquent Payments: Under no circumstances will the Company set a meter or otherwise allow service to be established in the Applicant has not paid in full all charges as provided by this AIF tariff.

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- (E) AIF Non-refundable: The amounts collected by the Company pursuant to the AIF shall be non-refundable advances in aid of construction.
- (F) Use of Charges Received: All funds collected by the Company as AIF shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of arsenic treatment facilities (including engineering and design costs for such facilities), including repayment of loans obtained for the installation of arsenic treatment facilities that will benefit the entire water system.
- (G) AIF in Addition to Other Charges: The AIF shall be in addition to any costs associated with a main extension agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under the other sections of this tariff.
- (H) Disposition of Excess Funds: After all necessary funds are collected to pay for all Arizona Department of Environmental Quality required by arsenic treatment facilities or the AIF has been terminated by order of the Commission, any funds not necessary to pay for arsenic treatment facilities remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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VI. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

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